

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

PERIODIC REPORTING  
(PROPOSAL FOUR)

Docket No. RM2021-7

**RESPONSES OF THE UNITED STATES POSTAL SERVICE  
TO QUESTIONS 1-6 OF CHAIRMAN'S INFORMATION REQUEST NO. 2**  
(September 8, 2021)

The United States Postal Service hereby provides its responses to the above listed questions of Chairman's Information Request No. 2, issued September 1, 2021. The questions are stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

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September 8, 2021

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1. Please refer to the Petition Attachment, folder "Programs." Please provide all of the data files needed to run all of the programs included in the folder "Programs," including all relevant Time and Attendance Collection System (TACS) datasets and Excel workbooks, as well as all program logs.

**RESPONSE:**

The requested data files and logs are provided under seal in USPS-RM2021-7-NP3.

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2. Please refer to Tables 1 through 4 of the Postal Service Reply Comments. Please provide Excel spreadsheets with live formulas of the presented calculations as well as sources for any hard-coded numbers. In addition, please provide all necessary calculations, data files, and SAS programs to support your explanations.

### **RESPONSE:**

The requested workbooks and data source are provided in the Excel file attached to this response, which includes the Tables 1-4 calculations, TACS hours by pay period, and the groupings provided by pivot tables. This exercise is provided to illustrate the mechanics of the weight averaging that would be updated annually, and the Postal Service believes that, for expositional purposes, a simplified approach is the best demonstration. To simplify this exercise, data collection included only LDC 23 and 24, and did not include blank EINs.<sup>1</sup> Attempting to address these two factors would have unnecessarily complicated the exercise, although the simplified approach did create minor differences between the IOCS programming FY2020 control total and the total monthly TACS hours (12.7 million hours versus 12.8 million hours), which required hours to be scaled to the benchmark total hours. The Postal Service does not anticipate that scaling will be necessary when the full methodology is actually applied in future fiscal years.

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<sup>1</sup> Blank EINs occur when an employee is so new that an EIN (Employee Identification Number) has not been provided yet, and therefore no correct mapping for that employee is available.

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3. Please refer to the Petition Attachment, folder "Data," SAS dataset "spccs\_z\_public\_fy20q1oct.sas7bdat" (Proposal Four Dataset). Also, please refer to the PR Comments, which state that "[t]here are select sampled [Special Purpose Carrier Cost System (SPCCS)] carrier-days in the Proposal Four October 2019 SAS dataset that link to a seemingly low number of [Product Tracking and Reporting (PTR)] scans given the amount of TACS workhours for the carrier-day sampled." PR Comments at 6 (footnote omitted). Please explain the reason that there are carrier-days in the Proposal Four Dataset with relatively few PTR scans and high amounts of TACS workhours.

**RESPONSE:**

No or few scan events relative to workhours is a reflection of the fact that SPR carriers do other things besides deliver parcels. SPR carriers, particularly in smaller units, spend a significant proportion of their time collecting mail from street letter boxes. In addition, in large units, SPR carriers transport relay mail to transfer boxes on foot routes. Neither of these activities would have PTR scans associated with them. As discussed in more detail in the Reply Comments of the Postal Service,<sup>2</sup> the data presented in Proposal Four are consistent with the data provided earlier in the SPR Study in Docket No. RM2019-6,<sup>3</sup> and also with sampling data from the CCCS-SPR manual sampling system.

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<sup>2</sup> Reply Comments of the Postal Service Docket No. RM2021-7 (August 30, 2021), pp. 1-3.

<sup>3</sup> See A New Study of Special Purpose Route Carrier Costs, Docket No. RM2019-6, section II, A Profile of SPR Activities and Operations (June 21, 2019), pp. 4-7. This topic was also discussed in Responses to ChIR No. 1, Docket No. RM2021-7, (August 12, 2021), question 7.d.

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4. Please refer to the Proposal Four Dataset. Also, please refer to the PR Comments, which state that “[h]owever, for other SPCCS sampled carrier-days, the PTR event times period range does not appear to align with the total TACS hours shown for the sampled carrier-day. In these instances, the SPCCS data suggest that not all mail pieces associated with the carrier-day SPR TACS workhours may have been captured, linked or recorded in the PTR dataset. If not, this would undercount the total SPR volume for the sampled carrier-day without some type of adjustment or weighting to account for partial volume sampled/obtained from the PTR scans.” *Id.* (footnote omitted).
  - a. Please confirm the incidence of PTR scan observations with PTR event time period ranges that do not align with their corresponding TACS workhour (“op\_hrs”) values.
    - i. If confirmed, please explain the reasoning for the discrepancy between the event time periods and the TACS workhours. Please also explain whether this discrepancy is indicative of undercounting of mail pieces in the SPCCS data.
    - ii. If not confirmed, please explain.

**RESPONSE:**

Confirmed. The PTR event time period ranges on individual PTR scan observations are for carrier-day time segments. The “op\_hrs” represent the total workhours for the sample unit, which often has multiple segments during the carrier-day. A carrier-day with many “op\_hrs” but few PTR scan observations is not indicative of undercounting of mail pieces in the SPCCS data, but is indicative of office work or non-delivery street activities, for example collection or relay.

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5. Please refer to the Petition which states that “[a]ll parcel products now have barcodes, either domestic Intelligent Mail package barcode (IMpb) or international customs barcodes[] that provide sufficient information such that the specific product can be identified. Moreover, carriers reliably scan parcels upon delivery.” Proposal Four, Petition at 1. Please also refer to the PR Comments which state that “[i]t would improve transparency if the Postal Service provided more specific information regarding ‘its ability to collect data on mailpieces without a barcode’ and if it explained what, ‘among other things[,]’ it has investigated regarding the SPCCS.” PR Comments at 8.
- a. Please explain the bases, including any quantitative studies, for the Postal Service’s assertion that all parcels now have barcodes that are sufficiently identifying and that carriers reliably scan parcels upon delivery. In your response, please include explanations of any investigations and conclusions from said investigations pertaining to whether city carriers were clocked into the correct labor distribution code.
  - b. Please detail any other investigations and conclusions of said investigations conducted by the Postal Service relating to its ability to transition to the SPCCS.

**RESPONSE:**

- a. In the current CCCS-SPR, approximately 99 percent of the entries have barcodes that are scanned by the data collector. Of the 1 percent of entries without barcode scans, almost all are for products that require a barcode that would normally be scanned by the SPR carrier upon delivery, such as International Express, International Parcel Post, International LC/AO Packet, First-Class Package Service, Parcel Select and Priority Mail. Scans may not have been obtained in these cases because of problems with the scanning equipment, but equipment failures would not affect the percentages of different products that do receive scans and therefore would not affect the distribution key used for developing product costs. This can also be seen by the lack of impact from Proposal Four on the costs for other types of products that do not have

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barcodes that are scanned on delivery by the carrier. As discussed in the Postal Service Reply Comments, the contribution to unit costs from CCCS-SPR was less than \$0.0002 for each of these other types of products.<sup>4</sup>

- b. No other investigations have been conducted.

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<sup>4</sup> Reply Comments of the Postal Service Docket No. RM2021-7 (August 30, 2021), p. 4.

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6. Please refer to the Petition Attachment, folder "Workbooks," Excel file "I\_FORMS-Public-FY20-SPCCS.xlsx" (I-FORMS workbook). Please provide all necessary inputs, including "Temp\_SPRPTR\_Output\_FY20\_Q4YTD\_V17.xlsx," and note their sources, for the I-FORMS workbook.

**RESPONSE:**

The requested inputs are provided under seal in USPS-RM2021-7-NP3.